

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: March 20, 2012**  
***Request for Final Resolution and***  
***Request for Tax-Exempt Bond Allocation Approval***

Prepared by: *Alejandro Ruiz*

<b>Applicant:</b>	Zero Waste Energy Development Company LLC and/or its Affiliates	<b>Amount Requested:</b>	\$32,390,000
<b>Project Location:</b>	San Jose & Gilroy (Santa Clara County) Watsonville (Santa Cruz County)	<b>Application No.:</b>	00837
		<b>Final Resolution No.:</b>	518
		<b>Prior Actions:</b>	IR 10-08 approved 6/23/10

**Summary.** Zero Waste Energy Development Company LLC and/or its Affiliates (the “Company”), requests approval of a Final Resolution and Volume Cap Allocation for an amount not to exceed \$32,390,000 to finance construction of two anaerobic digestion systems for organic materials, land development, and infrastructure improvements which are required to operate the facilities. The Board approved the Initial Resolution in the amount of \$23,225,000 on June 23, 2010. Due to additional project locations and project costs, the Company requests an increase of the Final Resolution to \$32,390,000.

**Borrower.** The Company was organized on February 20, 2009 in Santa Clara County. The Company was created specifically for the purpose of constructing and managing this and other proposed anaerobic digestion systems.

The principal stockholders of the Company are as follows:

Zanker Road Resource Management, Ltd.	50%
GreenWaste Recovery, Inc.	<u>50%</u>
<b>Total:</b>	<b><u>100%</u></b>

The principal stockholders of Zanker Road Resource Management are as follows:

Zanker Road Resource Recovery, Inc.	30.0000%
H.L. Sweatt, Inc.	10.0000%
Sportsell L.P. #4	10.5882%
Dianna L. Couch	9.0044%
John D. Couch	9.0044%
Gene R. Carter	7.0588%
Kenneth W. Zerbe	7.0588%
Neal Family Revocable Trust	5.2941%
Various Individuals/Trusts (less than 3% each)	<u>11.9913%</u>
<b>Total:</b>	<b><u>100.0000%</u></b>

**Agenda Item 4.A.1.**

The principal stockholders of GreenWaste Recovery Inc. are as follows:

Richard & Diane Cristina Trust	19.79%
Murray Hall Trust	17.28%
Jesse Weigel	16.67%
William & Linda Giannini Trusts	4.79%
Eric A. & Vivian M. Bracher Trustees	4.27%
Robert Dubcich	4.27%
Frank Weigel	4.17%
Gary Giannini	4.17%
Gene & Patricia Carter Trustees	4.17%
Herb Sweatt	4.17%
Nancy Sweatt	4.17%
Patricia Sheehan	4.17%
Various Individuals/Trusts (less than 3% each)	7.91%
<b>Total:</b>	<b><u>100.00%</u></b>

**Legal Questionnaire.** The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**TEFRA.** The TEFRA hearing was held on March 15, 2012. There were no comments received in support of or in opposition to this Project.

**Fees.** The Company paid an application fee of \$5,000 and will pay an administrative fee of \$59,780 upon closing.

**SBAF Contribution.** The Company is a large business and will be contributing up to \$51,400 towards the Small Business Assistance Fund.

**Prior Financings.** The Company does not have any outstanding bonds; however the Company’s partners have the prior financings listed below.

Description	Date of Bond Issue	Original Amount	Amount Outstanding as of 03/20/12
GreenWaste of Tehama 1999A	06/03/1999	\$3,435,000	\$370,000
GreenWaste Recovery, Inc. Series 1999B	06/03/1999	\$3,625,000	\$780,000
GreenWaste Recovery, Inc. Series 2007A	05/30/2007	\$38,305,000	\$26,585,000
GreenWaste Recovery, Inc. Series 2008A	10/08/2008	\$16,110,000	\$12,205,000
Green Waste of Palo Alto Series 2008B	10/08/2008	\$13,465,000	\$8,255,000
Zanker Road Landfill 1999C	06/03/1999	\$6,370,000	\$1,875,000
Zanker Road Resource Management Series 2011A	03/02/2011	\$4,945,000	\$4,945,000
<b>TOTAL:</b>		<b><u>\$98,570,000</u></b>	<b><u>\$64,860,000</u></b>

**Project Description.** The Company anticipates constructing a facility which will use a batch anaerobic digestion system to take organic materials and, using a dry fermentation system, produce and capture methane from the controlled composting of those materials. The organic materials for this project will include the organic mixed fraction from mixed waste processing at a Materials Recovery Facility (MRF), source separated organics, and yard waste. The methane produced will fuel generators; the power produced will be used internally and the excess sold to PG&E.

The first few stages of the process take place in an approximately 75,000 square foot enclosed process facility. Components include the following:

- A receiving area for feedstock material delivery and storage
- A large hall that will serve as a mixing and material transport area
- 16 anaerobic digesters
- An engine room with two generators
- 8 compost curing tunnels
- Off-site provision for utilities

Land development and infrastructure improvement activities which are required to construct and operate the facility include provision for electricity, potable water, reclaimed water for dust suppression, and sanitary sewer connections. The project will be located adjacent to the Zanker Road Landfill on a site leased from the City of San Jose.

In addition, a smaller but otherwise identical system will be installed as a demonstration facility either on the Santa Cruz County owned Buena Vista landfill site in Watsonville or on the Z-Best composting site in Gilroy.

The anticipated Project and issuance costs are listed below:

Off-Site Preparation	\$1,665,671.00
Construction of New Building(s)/Engineering/Architecture	\$22,084,554.00
Acquisition and Installation of New Equipment	\$6,398,224.00
Legal, Permits, etc.	\$1,033,280.00
Bond Issuance Expenses (including discount)	\$647,800.00
Letter of Credit or Bond Insurance Fee	\$310,399.36
Capitalized Interest	\$250,000.00
Contingency	\$71.64
<b>Total Bond Amount:</b>	<b><u>\$32,390,000.00</u></b>

The Board approved the Initial Resolution in the amount of \$23,225,000 on June 23, 2010. Due to additional project locations and project costs, the Company requests an increase of the Final Resolution to \$32,390,000.

On November 15, 2011, the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) recommended approval of an application from the Company

**Agenda Item 4.A.1.**

for the SB 71 Sales and Use Tax Exclusion Program. The project was approved and will result in approximately \$1,389,707 worth of sales and use tax exclusions over the next three years.

*Note: The Project costs reported in the Borrower’s application and shown here in staff’s report are estimated costs. At the time this financing closes, the estimated Project costs will be finalized and stated in the Tax Certificate. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the Project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons. However, the Borrower confirms, through submission of a signed application and will confirm through covenants and representations in various bond documents, that all assets purchased with bond proceeds will qualify for tax exempt financing, that they will be used to complete the Project as described, and that the average life tests required by federal law and described in the Tax Certificate will continue to be met. Tax-exempt financing may be only one source out of multiple sources of financing for a given project.*

**Anticipated Timeline.** Site preparation has begun; the Company expects to begin operating in the second quarter of 2013.

**Local Government.** A letter of support was received from Chuck Reed, Mayor of San Jose (Attachment A).

**Pollution Control and/or Environmental Benefits.** The Company represents the Project will generate the pollution control and environmental benefits described below.

**Air Quality.** The anaerobic digestion system to be implemented represents a key component of the AB32 mandate to reduce greenhouse gases as digestion will occur in a completely enclosed environment that provides for capturing carbon credits.

**Water Quality.** All waste material to be processed at the facility will be on paved surfaces under roof and will not contribute to otherwise naturally occurring runoff.

**Energy Efficiency.** The project will be a new self-generator of its required power from biogas produced by the digester and the resulting excess electricity will be sold to PG&E.

**Recycling of Commodities.** The system will take organic material from a MRF process, which is customarily landfilled, and combine it with food and green waste to achieve digestion; gas production which will be converted to electricity; and composted material to be used as a soil amendment. The project will increase waste diversion from local landfills by recycling materials that is otherwise disposed.

**Jobs.** This project will create 23 new full time jobs.

**Taxes.** The Company anticipates that the following tax revenues will be generated by the Project annually:

Payroll Taxes, State and Federal	\$73,000 annually
Personal Property Taxes	\$400,000 annually
Sales Tax	\$1,800,000(one time)

**Permitting and Environmental Approvals.**

<u>Discretionary Permit</u>	<u>Status of Application</u>	<u>Date of Issuance</u>
Notice of Determination	Approved	June 21, 2011

**Financing Details.** The Company anticipates issuance of negotiated tax-exempt, weekly reset, variable rate bonds with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit, issued by Comerica Bank, that is rated at least “A-” by Fitch Rating Agency or equivalent. The target date for financing is March 28, 2012.

**Financing Team.**

**Underwriter:** Westhoff, Cone, & Holmstedt  
**Bond Counsel:** Law Offices of Leslie M. Lava  
**Issuer’s Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of Final Resolution No. 518 and Volume Cap Allocation Resolution No. 09-136-03 for an amount not to exceed \$32,390,000 for Zero Waste Energy Development Company LLC and/or its Affiliates.

**FINAL BOND RESOLUTION OF THE  
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
RELATING TO FINANCING OR REFINANCING OF  
SOLID WASTE DISPOSAL FACILITIES AND EQUIPMENT  
FOR ZERO WASTE ENERGY DEVELOPMENT COMPANY LLC  
AND/OR ITS AFFILIATES**

March 20, 2012

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”) has received the application of Zero Waste Energy Development Company LLC (the “Borrower”), for financial assistance to finance or refinance (i) the construction of buildings, the acquisition and installation, if any, of solid waste collection, processing and/or transporting equipment, including rolling stock and vehicles and/or resource recovery related equipment, including anaerobic digesters, and other equipment functionally related thereto, and related site improvements, all to be located at one or more of the following addresses: 2100 Los Esteros Road, San Jose, California 95134, 980 State Highway 25, Gilroy, California 95020 and/or 1231 Buena Vista Drive, Watsonville, California 95076 (the “Site”) and (ii) the provision for utilities on the public right of way adjacent to the Site, all as more particularly described in the Term Sheet attached hereto as Exhibit A and incorporated herein (the “Term Sheet”) (collectively, the “Project”); and

**WHEREAS**, the Borrower has requested the Authority to issue its revenue bonds from time to time in an amount not to exceed \$32,390,000 to assist in the financing or refinancing of the Project; and

**WHEREAS**, the proceeds of such revenue bonds will be loaned to the Borrower under a loan agreement with the Authority; and

**WHEREAS**, final approval of the terms of such revenue bonds and certain documents relating to such revenue bonds is now sought; and

**WHEREAS**, the Borrower has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is not a project under that division;

**NOW, THEREFORE, BE IT RESOLVED** by the California Pollution Control Financing Authority, as follows:

**Section 1.** The Project constitutes a “project” and the Borrower is a “participating party” within the meaning of the California Pollution Control Financing Authority Act (the “Act”).

**Section 2.** Pursuant to the Act, revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Zero Waste Energy Development Company LLC Project) Series 2012A” (the “Bonds”), or such alternate designation as may be approved by the Executive Director of the

Authority, in an aggregate principal amount not to exceed \$32,390,000, are hereby authorized to be issued. The Bonds may be issued at one time, or from time to time, in one or more series separately or differently identified, and may be issued in a tax-exempt mode, all in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Bonds shall be used to finance or refinance the Project and to pay costs of issuance of the Bonds.

**Section 3.** The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Bonds, at one time or from time to time on or before December 31, 2012, by negotiated sale, at such price and at such interest rate or rates as he may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

**Section 4.** The following documents:

- (i) a loan agreement relating to the Bonds (the “Loan Agreement”), between the Authority and the Borrower;
- (ii) an indenture relating to the Bonds (the “Indenture”), between the Authority and the trustee named in the Term Sheet (the “Trustee”);
- (iii) a bond purchase contract (the “Purchase Contract”) among the Authority, the Treasurer of the State of California and the underwriter or underwriters named in the Term Sheet (the “Underwriters”), and approved by the Borrower; and
- (iv) the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”)

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit enhancement for the Bonds) in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture and the Purchase Contract and by delivery thereof in the case of the Preliminary Official Statement.

**Section 5.** The Authority understands and agrees that pursuant to the terms of the Loan Agreement, the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an Affiliate of the Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

**Section 6.** The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

**Section 7.** The Underwriters are hereby authorized to distribute the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds. The Underwriters are hereby directed to deliver (in a manner that complies with Securities and Exchange Commission

rule 15c2-12(b)(3)) a copy of said final official statement (as finally executed, the “Official Statement”) to all actual purchasers of the Bonds.

**Section 8.** The Bonds, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Underwriters in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Bonds to The Depository Trust Company, on behalf of the Underwriters thereof, upon payment of the purchase price thereof.

**Section 9.** The Authority hereby dedicates and confirms its allocation to the Bonds issued in a tax-exempt mode (the “Tax-Exempt Bonds”) of a portion of its private activity bond limit, as previously received, carried forward or to be received from the California Debt Limit Allocation Committee, in an amount up to the applicable principal amount of Tax-Exempt Bonds issued and delivered to finance certain costs of the Project and to pay certain costs of issuance of the Tax-Exempt Bonds, so as to satisfy the requirements of Section 146(e) of the Internal Revenue Code of 1986, with respect to the Tax-Exempt Bonds.

**Section 10.** Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale or delivery of the Bonds, and otherwise to effectuate the purposes of this Resolution and the Indenture, the Loan Agreement, the Purchase Contract and the Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation, any certifications, including, a tax certificate.

**Section 11.** The provisions of the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings” adopted by the Authority on January 17, 2012, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

**Section 12.** The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

**Section 13.** This resolution shall take effect immediately upon its passage. The adoption by the Authority of this final resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

**EXHIBIT A**

TERM SHEET

**Name of Issue:** California Pollution Control Financing Authority Variable Rate Demand Solid Waste Disposal Revenue Bonds (Zero Waste Energy Development Company LLC Project) Series 2012A, or such alternate designation as may be approved by the Executive Director of the Authority (the “Bonds”)

**Maximum Amount of Issue:** \$32,390,000 (tax-exempt)

**Issuer:** California Pollution Control Financing Authority (the “Authority”)  
Sacramento, CA

**Borrower:** Zero Waste Energy Development Company LLC

**Trustee:** The Bank of New York Mellon Trust Company, N.A.

**Underwriters:** Westhoff, Cone & Holmstedt

**Bond Counsel:** Leslie M. Lava, Esq.  
Sausalito, CA

**Remarketing Agent:** Westhoff, Cone & Holmstedt

**Project:** Finance or refinance (i) the construction of buildings, the acquisition and installation, if any, of solid waste collection, processing and/or transporting equipment, including rolling stock and vehicles and/or resource recovery related equipment, including anaerobic digesters, and other equipment functionally related thereto, and related site improvements, all to be located at one or more of the following addresses: 2100 Los Esteros Road, San Jose, California 95134, 980 State Highway 25, Gilroy, California 95020 and/or 1231 Buena Vista Drive, Watsonville, California 95076 (the “Site”) and (ii) the provision for utilities on the

**Agenda Item 4.A.1.**

public right of way adjacent to the Site.

**Maximum Bond Term:**

Not to exceed 35 years

**Type of Sale:**

Negotiated sale

**Description of Minimum Denominations:**

\$100,000 or any integral multiple of \$5,000 in excess thereof while in variable rate mode

**Financing Structure:**

Variable rate demand bonds; convertible to fixed rate pursuant to the Indenture

**Maximum Interest Rate:**

12%

**Letter of Credit:**

Provided by Comerica Bank

**Other Credit Enhancement:**

Not applicable

**Anticipated Bond Rating:**

Comerica Bank: "A"  
(Minimum "A-")

**Type of Financing:**

Solid waste disposal revenue bonds

**Prepared by:**

Leslie M. Lava, Esq.  
Law Offices of Leslie M. Lava  
(415) 331-6464

**THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**

**RESOLUTION NO. 09-136-03**

**A RESOLUTION DEDICATING FOR USE OF A PORTION OF THE 2009 STATE  
CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR AN  
EXEMPT FACILITY PROJECT**

**WHEREAS**, the California Pollution Control Financing Authority (“CPCFA”) has received an application (“Application”) from Zero Waste Energy Development Company LLC (“Project Sponsor”) for approval of the issuance of revenue bonds; and

**WHEREAS**, on March 20, 2012, CPCFA approved Final Resolution No. 518 (“Final Resolution”) authorizing the issuance of up to \$32,390,000 of its solid waste disposal revenue bonds (Zero Waste Energy Development Company LLC Project) Series 2012 (“Bonds”); and

**WHEREAS**, in seeking CPCFA approval of the Final Resolution, the Project Sponsor represented certain facts and information concerning the project to CPCFA which were relied upon by CPCFA in approving the Final Resolution; and

**WHEREAS**, the California Debt Limit Allocation Committee (“CDLAC”) has previously transferred to CPCFA a portion of the 2009 State Ceiling on Qualified Private Activity Bonds pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, for use by CPCFA to issue bonds or other obligations in a manner consistent with CDLAC’s policies and procedures. Accordingly, capitalized terms not otherwise defined shall have the meanings ascribed to them in the “Procedures of the California Debt Limit Allocation Committee Implementing the Allocation of State Ceiling on Private Activity Bonds” (“CDLAC Procedures”); and

**WHEREAS**, it is appropriate for CPCFA to confirm the use of a portion of the 2009 State Ceiling on Qualified Private Activity Bonds allocated to CPCFA (“CPCFA Allocation”) to the issuance of the Bonds as set forth in the Final Resolution;

**NOW, THEREFORE**, CPCFA resolves as follows:

**Section 1.** CPCFA Allocation in the amount of \$32,390,000 is hereby dedicated to the issuance of the Bonds. The dedicated CPCFA Allocation may be used only by the Project Sponsor and only for the issuance of Bonds for the Project, as specifically described in Exhibit A, and consistent with the terms of the Final Resolution. All of the terms and conditions of Exhibit A, and the Final Resolution are incorporated herein as though set forth in full (this resolution, the Final Resolution and Exhibit A, collectively “Resolution”).

**Section 2.** The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor and all its respective successors and assignees, will be bound by such terms and conditions.

**Section 3.** Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and shall require reconsideration by the CPCFA before the Allocation may be used for the Project.

**Section 4.** The CPCFA Allocation dedicated by this Resolution shall automatically revert to CPCFA unless the Bonds for the Project have been issued by CPCFA by the close of business on June 21, 2012. In a case of extreme hardship, the Deputy Executive Director or the Executive Director may extend this date by up to thirty (30) business days.

**Section 5.** Within twenty-four (24) hours of issuing the Bonds, CPCFA shall notify CDLAC via the email or the fax number as provided in Section 5140 of the CDLAC Regulations that the Bonds have been issued. This notice shall identify the Project Sponsor, the project or program, the date and amount of the Bonds issued.

**Section 6.** Within fifteen (15) calendar days of the Bond closing, CPCFA or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting the appropriate completed Report of Action Taken in a form prescribed by and made available by CDLAC.

**Section 7.** Any differences between the amount of Bonds issued and the amount of the CPCFA Allocation dedicated in Section 1 of this Resolution shall automatically revert to CPCFA. If at any time prior to the expiration date set forth in Section 4 hereof the Project Sponsor determines that part or all of the CPCFA Allocation dedicated in Section 1 of this Resolution will not be required by the Project by that date, the Project Sponsor shall promptly give notice to CPCFA.

**Section 8.** In consideration of the CPCFA Allocation dedicated in Section 1 of this resolution, the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Project Sponsor expressly agrees that the terms and conditions of this Resolution may be enforced by CDLAC or CPCFA through an action for specific performance or any other available remedy, provided however, that CDLAC and CPCFA agree not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, CPCFA shall ensure that the Bond documents, as appropriate, expressly provide that CDLAC is a third party beneficiary of the terms and conditions set forth in this Resolution.

**Section 9.** The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by CDLAC or CPCFA.

**Section 10.** This Resolution shall take effect immediately upon its adoption.

**RESOLUTION NO. 09-136-03**  
**(AN EXEMPT FACILITY PROJECT)**  
**EXHIBIT A**

1. Project Sponsor: Zero Waste Energy Development Company LLC
2. Application #: 00837
3. Project User: Zero Waste Energy Development Company LLC
4. Project Name: Zero Waste Energy Development Company LLC Project
5. Location: San Jose & Gilroy (Santa Clara County)  
Watsonville (Santa Cruz County)
6. Credit Enhancement: Comerica
7. The Credit Enhancement Provider/Private Placement Purchaser at the time of issuance will be the same as represented in the application.
8. Amount of Allocation: \$32,390,000

## Attachment A



*Chuck Reed*  
MAYOR

November 17, 2011

Mr. Michael Papanian  
Executive Director  
California Pollution Control Financing Authority  
915 Capitol Mall, Room 457  
Sacramento, CA 95814

RE: California Pollution Control Financing Authority, Exempt Facility Approvals  
Zero Waste Energy Development Company LLC Project

Dear Mr. Papanian:

I am writing to express support for Zero Waste Energy Development Company LLC for approvals, which will be requested at the California Pollution Control Financing Authority ("CPCFA") Board meeting in December 2011.

The City of San Jose has worked with Zero Waste Energy Development Company LLC over the last few years in their development and permitting of the proposed project and they now are ready for final approval of the financing. The Project is important to San Jose for advancing our diversion goals under AB 939, as well as our ambitious Green Vision platform (that includes Zero Waste goals for our community). Additionally, we view this Project as a cost effective addition to our overall program, taking into account cost, technology and expected waste diversion.

We understand there is limited available allocation; therefore, we want to underscore the importance of this Project to the City of San Jose. The issuance of tax exempt bonds by CPCFA is critical to the underlying economics of the Project. We encourage support of the Zero Waste Energy Development application, and our Staff is available to answer any questions you may have.

Sincerely,

Chuck Reed  
Mayor

